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Baesler: School Aid Safe From Budget Cuts

BISMARCK, N.D., Feb. 2, 2016 – School Superintendent Kirsten Baesler said Monday that a 4.05 percent state budget cut will not impact North Dakota local school district funding.

As approved by the 2015 Legislature, the Department of Public Instruction's 2015-17 budget includes almost \$2 billion in state aid to school districts. The amount includes \$1.92 billion in per-student aid payments, \$57 million in transportation assistance, and \$17.3 million for schools' special education costs.

Gov. Jack Dalrymple and the state budget director, Pam Sharp, said Monday that reductions in those amounts will be offset by transferring \$71.8 million from the Foundation Aid Stabilization Fund. North Dakota voters established the fund in 1994 to guard against the possibility that the education of K-12 students would be affected by an economic downturn.

"Thankfully, we have a reserve fund in place to take care of our schools in case there are declines in state revenues," Baesler said. "Our schools will be receiving the state aid they have budgeted for."

The Foundation Aid Stabilization Fund now has \$656.3 million.

The 4.05 percent budget reduction, which the governor announced Monday, will require the Department of Public Instruction to cut almost \$2 million in administrative expenditures. Those are separate from the DPI's state school aid budget.

"We will be taking a close look at the department's budget, and identifying opportunities for reductions that will have the least impact on student education services," Baesler said.

A new state revenue forecast, made public Monday, estimates that general fund revenues will be \$1.074 billion short from what the Legislature anticipated last March, shortly before lawmakers finished their work on the 2015-17 budget.

The spending plan included \$5.64 billion in expected general fund tax collections, a figure that includes taxes on oil, coal, sales, income and corporations. The new forecast reduces those expected revenues by 19 percent, to \$4.6 billion. Most of the decrease is being blamed on the effects of plummeting oil prices.

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